

STATE OF CALIFORNIA

Public Utilities Commission  
San Francisco

**M e m o r a n d u m**

**Date:** May 4, 2004

**To:** The Commission  
(Meeting of May 6, 2004)

**From:** Alan LoFaso, Director  
Office of Governmental Affairs (OGA) — Sacramento

**Subject:** **AB 2283 (Chu): "211" telephone number system.**  
As Amended April 22, 2004

**Legislative Subcommittee Recommendation:** Oppose unless amended.

**Summary:** This bill would provide a framework for the expansion of 2-1-1 providers.

**Digest:** Existing law, P.U. Code sec. 701 et seq., provides that the Commission may do all things that are "necessary and convenient" in the supervision and regulation of public utilities. Pursuant to this authority, the Commission, in D. 03-02-029, set policies and procedures necessary to implement 2-1-1 service.<sup>1</sup>

This bill would mandate Commission responsibility for the selection of 2-1-1 providers and require information and referral (I&R) providers that use the abbreviated 2-1-1 dialing code to operate consistent with applicable Federal Communications Commission (FCC) and Commission orders. Specifically, this bill would authorize the Commission to designate a 2-1-1 lead entity if the Commission determines that a lead entity will assist in the implementation of a 2-1-1 dialing system throughout the state, to be responsible for the following:

- 1) Performing any federally or state-required 2-1-1 planning, administrative, fiscal, and reporting functions;
- 2) Developing a state plan for 2-1-1 implementation;
- 3) Allocating 2-1-1 funds to entities in accordance with state law; and
- 4) Reporting as requested by the Legislature or Commission.

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<sup>1</sup> D. 03-02-029, .the Commission further stated, "[p]ursuant to this broad state authority and the FCC's affirmation that the states will continue to perform number administration functions, including the local assignment of N11 codes, the California Commission possesses sufficient authority to implement 2-1-1 dialing", at p. 10-11.

This bill would further authorize the Commission to consider whether the a 2-1-1 lead entity demonstrates the following:

- 1) Diverse geographic representation;
- 2) Experience in 2-1-1 leadership, education, and support to the I&R industry in California;
- 3) Experience in statewide 2-1-1 planning and implementation in California;
- 4) Established relationships with I&R providers throughout state;
- 5) The means to establish these relationships throughout the state;
- 6) Established relationships with I&R providers nationally;
- 7) Ability to provide training, technical assistance, and service evaluation according to I&R industry standards; and
- 8) Substantial expertise with I&R operational requirements, including data resources, software requirement, and referral practices.

This bill would require a Commission-designated lead entity to allocate federal funds for the development, implementation, and administration of a 2-1-1 dialing system, according to specified goals.

This bill would require the Commission, if it designates a lead entity, to serve as the lead entity's fiscal agent for accounting of any state or federal funds made available to the lead entity and require specified reporting to the Commission.

This bill would prohibit a lead entity from receiving monies from additional ratepayer surcharges or the general fund.

This bill would authorize the Commission to adopt a plan applicable to regulated telecommunications carriers for implementing 2-1-1 dialing throughout the state; authorize the Telecommunications Division of the Department of General Services (DGS), in consultation with the Commission to aid I&R providers, local exchange carriers, and local public agencies to improve 2-1-1 service; and further authorize DGS and other state agencies to assist and cooperate in the development of 2-1-1 access.

This bill would immunize Commission-designated I&R providers from civil liability, as specified.

**Analysis:** AB 2283 would expand the responsibilities of the Commission in the establishment and administration of community information and referral (I&R) systems using the 2-1-1 abbreviated dialing code, while requiring the Commission to delegate to a private entity the authority for allocating taxpayer funds for 2-1-1 programs, and for planning, administrative, fiscal, and reporting functions required under any state and federal 2-1-1 funding program. The bill does the latter by specifying criteria for choosing a lead entity. It is likely that the California Alliance of Information and Referral Services (CAIRS) would be able to meet these criteria.

AB 2283 is sponsored by CAIRS, who petitioned the Commission to implement 2-1-1 dialing in California in August 2001.<sup>2</sup> On January 23, 2002, the Commission responded to CAIRS' petition by initiating the requested rulemaking (R.) 02-01-025, which culminated in the implementation of 2-1-1 dialing. In D. 03-02-029, the Commission ordered specified network architecture requirements, including requiring incumbent local exchange carriers (ILECs) to provide needed switch translation services at reasonable rates and requiring those implementing 2-1-1 service to obtain an 8YY phone number (e.g., an "800" number) for payphone operators and competitive local exchange carriers to use to direct calls to I&R providers.

The Commission further refined its role in the section of I&R providers in T-16776, adopted October 16, 2003:

The Commission has no particular expertise or legislative mandate in the fields of health and human services, and is thus ill-equipped to intervene in disputes between I&R providers, or more generally to respond to complaints that may arise regarding the quality of service provided by the 2-1-1 I&R provider....

California's size and diversity, in geography, politics, and many other categories, argue against a statewide "one-size-fits-all" approach to evaluating and choosing comprehensive I&R providers. County governments can best apply local standards and local knowledge to this difficult but important task....

For future 2-1-1 applications, the Commission should revisit D.03-02-029 to consider requiring the endorsement of the county's or counties' board(s) of supervisors as part of the application of an I&R provider for authority to use the 2-1-1 dialing code in a county or group of counties, as well as to address whether the Commission should be involved in handling potential disputes and complaints regarding the quality of service provided by a 2-1-1 I&R provider.

Under these rules, applicants from 8 counties covering 61% of the state's population have already applied to the PUC to use the 2-1-1 dialing code. The PUC has approved 4 of these applications covering 44% of the state's population, and the other 4 are under analysis by staff.

### **Federal money for 2-1-1 providers**

A primary impetus for AB 2283 is the introduction of companion measures in Congress (H.R. 3111, S. 1630), which would authorize \$200 million for grants via the U.S. Department of Commerce to support states' 2-1-1 providers. These grants would require a 50% match of funds from non-federal sources and specifically authorize the lead entity to apply for the grants if several conditions are met, including that state law provides for such an entity and that the lead entity be designated as such by the state's public utility commission. The federal legislation would also provide for minimum

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<sup>2</sup> P. 01-08-044.

requirements of a lead entity that are not dissimilar to the requirements in AB 2283 and authorize the lead entity to award subgrants to providers.

These measures are backed by the United Way of America and the national Alliance of Information and Referral Systems (AIRS), with which CAIRS is affiliated.

S. 1630 (the Senate companion bill to H.R. 3111) was introduced by Senator Hillary Rodham Clinton (D-NY) on 9/17/03 and referred to the Senate Committee on Commerce, Science, and Transportation. The bill has not yet been scheduled for further consideration.

H.R. 3111 (the House companion bill to S. 1630) was introduced by Congressman Richard Burr (R-NC) on 9/17/03 and referred to the House Committee on Energy and Commerce. On 10/6/03, the bill was referred to the Subcommittee on Telecommunications and the Internet. Further consideration of this bill by the Subcommittee has not yet been scheduled.

#### **Recent Amendments to the bill:**

Recent amendments to AB 2283 would give the Commission the broader authority to determine whether a lead entity would assist in the implementation of a 2-1-1 system throughout the state, and would suggest rather than mandate the criteria the Commission considers in designating a lead entity. This contrasts with the prior version of the bill, which required that the Commission designate a lead entity. However, if the federal bill passes, the Commission will find itself forced to choose between (a) foregoing some \$20 million in federal funds for 2-1-1 systems, or (b) designating a lead entity establishing the collaborative described in the prior paragraph to receive \$20 million in matching funds.

The functions that would be assigned to the Commission to properly evaluate the need and propriety of a lead entity and to supervise its activities are outside the scope of expertise of a utility ratemaking agency. The underlying question regarding encouraging I&R providers for 2-1-1 is essentially a health and/or human services activity.

This reality is embodied in the Commission's decisions that render the Commission currently responsible for the *approval* of 2-1-1 providers who self-select and apply to the Commission for authority to use 2-1-1 in a particular county. The Commission has little expertise in health and human services matters, and insufficient resources and local knowledge to actively *select* 2-1-1 providers for counties if none apply to the Commission for authority. Moreover, the Commission lacks expertise to examine the issues within a county to decide why no entity in a particular county has applied or which entity within a county should apply. Deciding whether a county wants a 2-1-1 system and selecting the operator of that system are best handled by each county's board of supervisors, which are regularly involved in implementing and administering

health and social services programs. The Commission regularly seeks and usually gets advice from the county government on the selection of the county's 2-1-1 provider.

**Recommended Amendments:**

AB 2283 is based on a sound, underlying premise that I&R umbrella groups, such as CAIRS, are better situated than the Commission to examine these issues. However, the appropriate oversight roles to be provided by a government agency are outside the scope of Commission expertise. Therefore, AB 2281 should be amended to assign that responsibility to a state or local government agency or agencies with the appropriate health and human services expertise, such as the Department of Social Services, Department of Health Services, or the Health and Human Services Agency.

Alternatively, those functions properly within the expertise of a health or social services related agency could be specifically directed to that appropriate agency, with the ultimate approval being conducted by the Commission according to the expert agency's recommendation. This piecemeal approach would be less desirable, however.

Under either option, it would be advisable to ensure that any federal measure is amended to ensure that a California bill would sustain any opportunity for this state's 2-1-1 I&R providers to obtain any federal funds proposed in that measure.

**LEGISLATIVE HISTORY**

Asm. U&C: 7-4 (do pass) (4/19/04)

**SUPPORT/OPPOSITION**

Support: California Alliance of Information and Referral Services (Sponsor)  
California Foundation for Independent Living Centers  
Junior Leagues of California State Public Affairs Committee  
Service Employees International Union (SEIU)  
California National Emergency Number Association

Opposition: None on file.

**LEGISLATIVE STAFF CONTACT**

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**Date:** May 4, 2004

**BILL LANGUAGE:**

BILL NUMBER: AB 2283    AMENDED  
BILL TEXT

AMENDED IN ASSEMBLY    APRIL 22, 2004  
AMENDED IN ASSEMBLY    APRIL 1, 2004

INTRODUCED BY    Assembly Member Chu  
(Principal coauthor: Assembly Member Ridley-Thomas)

FEBRUARY 19, 2004

An act to add Article 6.7 (commencing with section 53128) to Chapter 1 of Part 1 of Division 2 of Title 5 of the Government Code, and to add Section 2889.7 to the Public Utilities Code, relating to telecommunications.

## LEGISLATIVE COUNSEL'S DIGEST

AB 2283, as amended, Chu. "211" telephone number system.

(1) Existing law requires local public safety agencies to maintain a "911" emergency telephone number and among other things, sets forth the duties of the Division of Telecommunications of the Department of General Services in providing management oversight of statewide telecommunications systems developments. Existing law authorizes every local public agency, as defined, to establish a nonemergency "311" telephone system and authorizes the Division of Telecommunications to, among other things, aid local public agencies in the formulation of concepts, methods, and procedures that will improve the operation of "311" systems and to increase cooperation among public agencies.

Under existing law, the Federal Communications Commission has designated "211" to be the national abbreviated dialing code to be used to access nonemergency community information and referral providers to enable a caller to obtain information concerning social services not currently addressed by either the "911" or "311" system.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including telephone corporations. In Decision 03-02-029, the commission established guidelines and procedures whereby the commission can certify information and referral providers as eligible to purchase network telephone service that will enable them to receive calls from those persons who dial "211" and required all local exchange carriers to provide "211" call origination services at reasonable rates in those territories that will be serviced by "211" information and referral providers. Decision 03-02-029 does not address the situation of wireless carriers.

This bill would require information and referral providers ~~to~~ *that* use the abbreviated dialing code "211," *to operate the system in a manner that is* consistent with the applicable orders of the Federal Communications Commission and the commission, would *provide immunity from liability in a civil action for injuries or loss to persons or property as a result of certain acts or omissions of an authorized "211" provider or its employees, directors, officers, or agents,*

would make the commission responsible for ~~the establishment of the system and~~ the selection of "211" providers, ~~including the allocation of federal funds made available for the system,~~ and would authorize the Division of Telecommunications, in consultation with the commission, to aid information and referral providers, local exchange carriers, and local public agencies to improve operation of, and access to, a "211" telephone dialing system and to increase cooperation among information and referral providers, local exchange carriers, and public agencies. The

~~The~~ bill would authorize all state agencies and other official state organizations to provide reasonable assistance and cooperation in carrying out the purposes of the bill, including, but not limited to, promoting the use of "211" dialing for access to social services.

The bill would ~~require~~ authorize the commission to designate a "211" lead entity with prescribed responsibilities and characteristics , *upon determining that this will assist in implementation of a "211" telephone dialing system throughout the state* . The bill would require ~~the~~ a lead entity to allocate federal funds made available for the development, implementation, and administration of a "211" dialing system to accomplish specified goals.

*The bill would require that if the commission designates a lead entity, the commission establish a fund and require separate accounting for any federal or state funds made available to the lead entity, and require that the funds be spent consistent with federal and state law. The lead entity would be required to report certain information to the commission by December 31, 2005, and annually thereafter. The bill would prohibit a lead entity from expending more than 5% of any state funds for administrative expenses and would prohibit funding of a lead entity by additional ratepayer surcharges or the General Fund. The bill would authorize the commission to adopt a plan applicable to regulated telecommunications carriers for implementing a "211" dialing system throughout this state.*

(2) Existing law makes any public utility, including a telephone corporation, and any corporation other than a public utility, that violates the Public Utilities Act, or who fails to comply with any part of any order, decision, rule, direction, demand, or requirement of the commission, guilty of a crime.

Because this bill would require a rule or decision of the commission to implement its requirements, a violation of these provisions would be a crime and the bill would thereby impose a state-mandated local program by creating a new crime.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Article 6.7 (commencing with Section 53128) is added to Chapter 1 of Part 1 of Division 2 of Title 5 of the Government Code, to read:

## Article 6.7. Community Social Services Telephone System

53128. (a) Information and referral providers ~~shall~~ *that* use the abbreviated dialing code "211," *shall operate the system in a manner that is* consistent with the applicable orders of the Federal Communications Commission and the Public Utilities Commission.

(b) Except as specified in subdivision (c), a provider of information and referral services that has been authorized by the Public Utilities Commission to use the "211" abbreviated dialing code, and its employees, directors, officers, and agents are not liable to any person in a civil action for injuries or loss to persons or property, as a result of an act or omission of the authorized "211" provider or its employees, directors, officers, or agents, in connection with any of the following:

(1) Developing, adopting, implementing, maintaining, or operating a "211" system.

(2) Making "211" available for use by the public.

(3) Providing "211" services.

(c) Subdivision (b) is not applicable to injuries or loss resulting from the willful or wanton misconduct of the "211" service provider or its employees, directors, officers, or agents.

(d) The Public Utilities Commission shall ~~—, pursuant to Section 2889.7 of the Public Utilities Code,~~ be responsible for the selection of ~~—211—~~ "211" providers. The Division of Telecommunications of the Department of General Services, in consultation with the Public Utilities Commission, may aid information and referral providers, local exchange carriers, and local public agencies to improve operation of, and access to, a "211" telephone dialing system and to increase cooperation among information and referral providers, local exchange carriers, and public agencies.

(e) All state agencies and other official state organizations may provide reasonable assistance and cooperation in carrying out the purposes of this article, including, but not limited to, promoting the use of "211" dialing for access to social services.

SEC. 2. Section 2889.7 is added to the Public Utilities Code, to read:

2889.7. (a) ~~The commission shall~~ *If the commission determines that a lead entity will assist in the implementation of a 211 telephone dialing system throughout the state, the commission may* designate a "211" lead entity responsible for all of the following:

(1) Performing planning, administrative, fiscal, and reporting functions required under any state and federal 2-1-1 funding program.

(2) Developing a plan for implementation of 2-1-1 services throughout the state.

(3) Allocating 2-1-1 funds to entities in accordance with applicable law.

(4) Reporting activities and progress as requested by the Legislature or the commission.

~~—(b) The commission shall ensure that the "211" lead entity, to the extent practicable, conforms to the following:—~~

*(b) In designating a lead entity pursuant to subdivision (a), the commission may consider whether the "211" lead entity conforms, to the extent feasible, to the following:*

(1) Consists of representatives from different geographic areas of the state.



(2) Demonstrates ~~substantial~~ experience in providing leadership, education and support to the information and referral industry in California.

(3) Demonstrates ~~substantial~~ experience in statewide "211" planning and implementation efforts in California.

(4) Demonstrates established relationships with information and referral providers throughout California.

(5) Demonstrates the means to maintain established relationships with information and referral providers throughout the state.

(6) Demonstrates established relationships with national information and referral interests and established relationships with information and referral interests in other states.

(7) Demonstrates the ability to provide training, technical assistance, and service evaluation in adherence with information and referral industry standards.

(8) Demonstrates substantial expertise with the operational requirements of information and referral providers in California, including, but not limited to, database resources, software requirements, and referral practices.

(c) ~~The~~ A "211" lead entity shall allocate federal funds made available for the development, implementation, and administration of a "211" dialing system, to accomplish each of the following:

(1) Maximize the federal funds available to local information and referral providers using, or seeking to use, the "211" abbreviated dialing code to provide comprehensive information and referral services in California.

(2) Consider population and poverty rates when allocating funds.

(3) Consider developmental requirements, in addition to operational requirements, when initially allocating funds that are made available to local "211" providers.

(4) Include a reasonable administration fee sufficient to support the activities of the "211" lead entity.

(5) Ensure that any fund matching requirement is met.

(d) *If the commission designates a lead entity pursuant to subdivision (a), the commission shall establish a fund and require separate accounting for any federal or state funds made available to the "211" lead entity and shall require that those funds be spent consistent with this section and the requirements of federal and state law. The commission shall require the "211" lead entity to prepare and submit to the commission, on or before December 31, 2005, and annually thereafter, a report on the fiscal status of the program established pursuant to this section. The report shall include all of the following:*

(1) *A statement of any funds made available to the "211" lead entity through federal or state funding sources.*

(2) *An accounting of all federal or state funding allocated or expended by the lead entity in the previous year.*

(3) *A summary of all requests for funding that were approved or denied by the lead entity with an explanation why the particular action was taken.*

(e) *The lead entity may not expend more than 5 percent of any state funds made available for the administrative expenses of the lead entity.*

(f) *A lead entity shall not be funded by additional ratepayer surcharges or the General Fund.*

(g) *The commission may adopt a plan applicable to regulated telecommunications carriers for implementing a "211" dialing system throughout this state.*

SEC. 3. No reimbursement is required by this act pursuant to

Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.